



Financial Performance

A major focus of the Financial Performance Initiative of the President's Management Agenda is to ensure that agencies continue to meet the basic criteria defined by the Office of Management and Budget (OMB) for success, with one of the major criteria being timely issuance of annual financial statements with clean audit opinions and no material weaknesses identified by the auditors. On this front, the Department of Energy (DOE) has been extremely successful in that it has consistently met the OMB-established due dates for financial statement issuance and received clean opinions with no auditor-identified material weaknesses for six straight years.



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The ultimate criterion for success on this initiative, and a prerequisite for achieving and maintaining a Green score, is demonstrating to OMB that the agency currently produces accurate and timely financial information that is used by management to inform decision-making and drive results in key areas of operations. The Department has successfully demonstrated to OMB that it meets this benchmark. Each agency must also implement a plan to continuously expand the scope of its routine data use to inform management decision-making in additional areas of operations. In response to this requirement, the Department has implemented a Financial Management Business Plan that includes four specific initiatives and a commitment to conduct a top-to-bottom review of DOE's business processes and systems.

To support the top-to-bottom review, the Department has established a Financial Management Working Group (FMWG), comprised of senior representatives from several of the major programs and various staff offices, with the objective of improving the corporate-level financial and other business data available to inform decision-making at the highest levels of the Department. A primary goal of the FMWG effort is to facilitate movement toward more standardized and consistent business processes, strongly influenced by financial data, without losing sight of the unique aspects of each of DOE's major program areas. Our vision is to become best-in-class in terms of data-driven investment decisions.



Highlights of What We've Accomplished

- *Received Clean Financial Statement Audit Opinion.* The Department has received a clean audit opinion on its financial statements for six straight years with no material weaknesses.
- *Accelerated Financial Statements.* DOE improved the timeliness of its FY 2004 financial statements by issuing its statements 45 days after the end of the fiscal year. (DOE submitted its FY 2002 financial statements 149 days after the end of the fiscal year.)
- *Launched Integrated Business System (I-MANAGE) Project.* DOE is building an integrated business management system that will integrate financial, budget, procurement, human capital, program and performance information. The system will be supported by a central data warehouse and will improve decision-making capabilities by providing managers with the equivalent of a global positioning system at their desktop.
- *Strengthened Project Management.* DOE has established a rigorous process for monitoring its multi-million dollar construction projects to ensure that they adhere to cost, schedule and performance targets. Monthly reports are prepared evaluating project performance. Projects that are not on target are put on remediation plans or terminated. Prior to establishing this process, managers could not know with certainty whether a project was on target and cost overruns were rampant. This process provides managers with an "early warning system" to correct problems before they become intractable.

FY 2005 Goals

- *Implement the Data Warehouse and Accounting Modules of the Integrated Business System (I-MANAGE).* The Data Warehouse was deployed on January 31, 2005. The accounting module (STARS) is scheduled for deployment in April 2005. These systems will provide managers increased access to financial data on which to make sound management and budget decisions.
- *Implement Financial Management Business Plan.* At OMB's request, DOE prepared a financial management business plan which provides a roadmap for improving financial data that is used for making management and budget decisions. Deployment of the STARS accounting system is critical to meeting many of the milestones included in the plan.
- *Continue to Receive an Unqualified Financial Statement Audit Opinion.* DOE will take action to receive a seventh consecutive unqualified audit opinion on its annual financial statements.